



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year ended September 30, 2022

The Company has complied with the requirement of the Regulations in the following manner:

1. The total numbers of Directors are Eight (8) as per the following:
 - a. Male: Seven (7)
 - b. Female: One (1)
2. The Composition of the Board is as follows:

a. Independent Directors	Mr. Shams Muhammad Haji Mr. Farouq Habib Rahimtoola Ms. Tyaba Muslim Habib
b. Non-Executive Directors	Mr. Asghar D. Habib Mr. Ali Raza D. Habib Sheikh Asim Rafiq
c. Executive Directors	Mr. Murtaza Habib Mr. Khursheed A. Jamal
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of the significant policies along with the dates on which these were approved or amended have been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following Directors have either obtained certificates of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies Code of Corporate Governance Regulations 2019:
Mr. Asghar D. Habib
Mr. Murtaza Habib
Mr. Shams Muhammad Haji
Mr. Farouq Habib Rahimtoola
Sheikh Asim Rafiq
Mr. Khursheed A. Jamal



10. The Board has approved appointment of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

Audit Committee	HR and Remuneration Committee
Mr. Shams Muhammad Haji (Chairman)	Ms. Tyaba Muslim Habib (Chairperson)
Mr. Farouq Habib Rahimtoola	Mr. Shams Muhammad Haji
Ms. Tyaba Muslim Habib	Mr. Khursheed A. Jamal

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/halfyearly/yearly) of the committees were as per following :
 - a. Audit committee: four (4) meetings held during the year ended September 30, 2022
 - b. HR and Remuneration committee: one (1) meeting held during the year ended September 30, 2022
15. The Board has set up an effective internal audit function supervised by a person who is an associate member of the Institute of Chartered Certified Accountants (ACCA) – UK and who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Asghar D. Habib
Chairman

Karachi: December 26, 2022

Independent Auditors' Review Report

To the members of Habib Sugar Mills Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

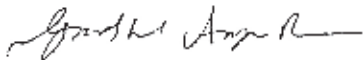
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of **Habib Sugar Mills Limited** (the Company) for the year ended 30 September 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2022.



Chartered Accountants

Place: Karachi

Date: 30 December 2022

UDIN: CR202210093vImBKMxa8